

**FRANKLIN ASSOCIATION
FOR RETARDED CITIZENS, INC.**

**Financial Statements
June 30, 2011 and 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 26 2011**

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.

JUNE 30, 2011 AND 2010

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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COMPILATION REPORT

**The Board of Directors
Franklin Association for Retarded Citizens, Inc.
Winnsboro, Louisiana**

We have compiled the accompanying statements of financial position of Franklin Association for Retarded Citizens, Inc (The Association) as of June 30, 2011 and June 30, 2010 respectively, and the related statements of activities, statements of functional expenses and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statements of cash flows and retained earnings required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statements of cash flows and retained earnings were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Management has also elected to omit the reporting of investments at fair market value on the company's interim financial statements. The effects of this departure from generally accepted accounting principles on financial position, results of operations, and cash flows have not been determined. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Franklin Association for Retarded Citizens, Inc.

Luffey, Huffman, Ragsdale, & Soignier

(A Professional Accounting Corporation)

October 7, 2011

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>
ASSETS		
Cash	\$ 37,796	\$ 26,766
Accounts Receivable	504	766
Prepaid Expenses	1,742	1,359
Land, Buildings and Equipment	114,730	114,730
Accumulated Depreciation	<u>(100,520)</u>	<u>(98,814)</u>
TOTAL ASSETS	\$ <u>54,252</u>	\$ <u>44,807</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 737	\$ 1,138
Payroll Taxes Payable	1,476	1,474
Note Payable - Line of Credit	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,213</u>	<u>2,612</u>
Net Assets		
Unrestricted	<u>52,039</u>	<u>42,195</u>
Total Net Assets	<u>52,039</u>	<u>42,195</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>54,252</u>	\$ <u>44,807</u>

See Accountants' Compilation Report.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2011	2010
		(RESTATED)
UNRESTRICTED NET ASSETS		
Public Support		
Intergovernmental	\$ 88,501	\$ 120,017
Membership and Donations	-	150
Total Public Support	88,501	120,167
Revenue		
Sales and Service Fees	3,597	4,897
Charitable Gaming	122,144	126,037
Cash Prizes	(53,639)	(56,043)
Total Revenue	72,102	74,891
Other Support		
Net Assets Released from Time Restrictions	-	-
Total Public Support and Revenue and Other Support	160,603	195,058
Expenses		
Program Services:		
Vocational Training	79,602	75,996
Bertha Nelson Work Activity Center	5,707	5,778
Total Program Services	85,309	81,774
Supporting Services:		
Management and General	14,028	30,041
Fundraising - Bingo	51,422	57,067
Total Supporting Services	65,450	87,108
Total Expenses	150,759	168,882
Increase (Decrease) in Unrestricted Net Assets	9,844	26,176
TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Time Restrictions	-	-
Increase (Decrease) in Temporarily Restricted Net Assets	-	-
Increase (Decrease) in Net Assets	9,844	26,176
Net Assets at Beginning of Year	42,195	16,019
NET ASSETS AT END OF YEAR	\$ 52,039	\$ 42,195

RESTATED: During the year ended June 30, 2011 management reevaluated the allocation of salaries between Program Services and Management and General. Due to the decrease in personnel over the years it was determined that the existing personnel had much more Program Service time and much less Management and General time than was previously reported in the June 30, 2010 financial statements. Therefore the above financial statement has been restated to reflect this change in estimate.

See Accountants' Compilation Report.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

	For the Year Ended June 30, 2011					
	Program Services			Supporting Services		
	Bertha Nelson					
	Vocational Training	Activity Center	Total	Management and General	Fundraising Bingo	Total Expenses
Salaries	\$ 47,520	\$ 2,449	\$ 49,969	\$ 8,682	\$ 8,825	\$ 17,507
Payroll Taxes	4,077	-	4,077	146	675	821
Total Salaries and Related Expenses	51,596	2,449	54,045	8,828	9,500	18,328
Bank Fees	-	-	-	-	-	-
Dues	-	-	-	-	-	-
Food	-	3,258	3,258	-	-	3,258
Insurance	9,559	-	9,559	-	-	9,559
Interest	-	-	-	-	-	-
Maintenance & Repairs	175	-	175	-	-	175
Office Supplies and Postage	1,162	-	1,162	-	-	1,162
Professional Fees	-	-	-	4,832	99	4,931
Rent	-	-	-	-	40,442	40,442
Supplies	-	-	-	368	1,206	1,574
Taxes and Licenses	-	-	-	-	175	175
Telephone	2,162	-	2,162	-	-	2,162
Utilities	3,726	-	3,726	-	-	3,726
Vehicle Expense	9,514	-	9,514	-	-	9,514
Total	77,895	5,707	83,602	14,028	51,422	65,450
Depreciation of Buildings and Equipment	1,707	-	1,707	-	-	1,707
TOTAL FUNCTIONAL EXPENSES	\$ 79,602	\$ 5,707	\$ 85,309	\$ 14,028	\$ 51,422	\$ 65,450
						\$ 150,759

See Accountants' Compilation Report.

FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
(RESTATED)

	For the Year Ended June 30, 2010				
	Program Services		Supporting Services		
	Bertha Nelson				
	Work				
	Vocational Training	Activity Center	Total	Management and General	Fundraising Bingo
Salaries	\$ 47,520	\$ 2,866	\$ 50,386	\$ 8,137	\$ 15,750
Payroll Taxes	3,307	-	3,307	622	1,255
Total Salaries and Related Expenses	50,827	2,866	53,693	8,759	17,005
Bank Fees	-	-	-	-	-
Dues	-	-	-	22	22
Food	-	2,912	2,912	-	-
Insurance	5,179	-	5,179	-	-
Interest	-	-	-	-	-
Maintenance & Repairs	303	-	303	-	-
Office Supplies and Postage	3,391	-	3,391	-	-
Professional Fees	-	-	-	21,260	350
Rent	-	-	-	-	38,307
Supplies	-	-	-	-	1,405
Taxes and Licenses	979	-	979	-	-
Telephone	1,960	-	1,960	-	-
Utilities	3,591	-	3,591	-	-
Vehicle Expense	7,960	-	7,960	-	-
Total	74,190	5,778	79,968	30,041	57,067
Depreciation of Buildings and Equipment	1,806	-	1,806	-	-
TOTAL FUNCTIONAL EXPENSES	\$ 75,996	\$ 5,778	\$ 81,774	\$ 30,041	\$ 57,067
				\$ 87,108	\$ 168,882

RESTATED: During the year ended June 30, 2011 management reevaluated the allocation of salaries between Program Services and Management and General. Due to the decrease in personnel over the years it was determined that the existing personnel had much more Program Service time and much less Management and General time than was previously reported in the June 30, 2010 financial statements. Therefore the above financial statement has been restated to reflect this change in estimate.

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FRANKLIN ASSOCIATION FOR RETARDED CITIZENS, INC.
STATEMENTS OF CASH FLOWS

	<u>Years Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 9,844	\$ 26,176
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,706	1,749
Loss on asset	-	-
Changes in assets and liabilities:		
Accounts receivable	262	5,646
Prepaid expenses	(383)	747
Accounts payable	(401)	(3,244)
Payroll taxes payable	2	(99)
Total adjustments	<u>1,186</u>	<u>4,799</u>
Net cash provided (used) by operating activities	<u>11,030</u>	<u>30,975</u>
Cash Flows From Investing Activities		
Acquisition of Plant and Equipment	<u>-</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>
Cash Flows From Financing Activities		
Payment on line of credit	<u>-</u>	<u>(13,154)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(13,154)</u>
Increase (Decrease) in Cash	11,030	17,821
Cash at Beginning of Year	<u>26,766</u>	<u>8,945</u>
Cash at End of Year	<u><u>\$ 37,796</u></u>	<u><u>\$ 26,766</u></u>

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